PART II

GUIDANCE AND PROCEDURES

CHAPTER 7: REUTILIZATION/DISPOSAL

7.1 GENERAL

Reutilization or disposal actions may be appropriate when serviceable or unserviceable assets are made available from external sources or when Not-Ready-For-Issue (NRFI) assets held as system stock are determined to be beyond economical repair. The following section addresses various methods by which surplus assets may be identified and outlines procedures for reutilization or disposal of such material, as required.

7.2 EQUIPMENT REMOVAL FROM STRICKEN SHIPS

The Secretary of the Navy approves the striking of ships from the Naval Vessel Register and their subsequent disposal. Responsibilities are assigned to Inventory Managers (IMs) to ensure prompt and economical removal of items destined for reutilization. This source of equipment is an economical means of obtaining material that is still required to support the Fleet. This section is applicable to all 2F, 2J and 2S cognizance (COG) material except boats and landing craft (Special Material Identification Code [SMIC] B1) and naval reactor plant equipment (SMIC X1).

7.2.1 Policy

In accordance with OPNAV Instruction 4770.5F (General Instructions for Inactive Ships and Craft) IMs have priority stripping rights to equipment on stricken ships and are responsible for expeditiously reviewing equipment lists of vessels to be stricken and for requesting removal of those items required to meet known or expected requirements. Shore activities involved in equipment removal will not remove, store, dispose of, or cannibalize equipments from ships identified to be stricken without prior approval of the IM. Normally, equipment removals requiring industrial stripping will be accomplished as a condition of the sale of the vessel; however, removal of equipments prior to the sale of a vessel can be accommodated if an urgent requirement exists. Funding for the removal, packing, crating, handling, and transportation of equipment from stricken ships will be budgeted and accounted for in separate cost accounts.

7.2.2 Responsibilities

a. PEO EXW (PMS 333):

(1) Coordinate actions relating to actual removal of NAVSEA repairable equipment from stricken ships.

(2) Coordinate equipment removal requests - first come, first served.

(3) Publish procedures for equipment removal policy and procedures. As a minimum, designate a custodian, establish priorities for equipment stripping, announce declassification and demilitarization instructions, and state the ship(s) location.

(4) Coordinate condition of sale removals with Defense Reutilization and Marketing Sales, Battle Creek, Michigan.

(5) Request IMs of NAVSEA material submit equipment removal requirements using an Equipment Removal Data Sheet (ERDS) as displayed in Figure 33.

(6) Forward a consolidated list of any classified equipment scheduled for removal to the NAVSEA Security Division (SEA 09T) for verification.

(7) Upon receipt of the ERDS, prepare a consolidated NAVSEA removal list and forward to the custodian activity with copies to the Inventory Control Points (ICPs), as required.

(8) Keep appropriate NAVSEA IMs and program offices apprised on the status of their removal request.

(9) Arrange for industrial removal support on a reimbursable basis.

b. NAVSEA IMs:

(1) Budget for and control funds as well as issue appropriate funding documents associated with removal, packing, crating, and handling effort incident to equipment being removed from stricken ships.

(2) Upon notification that a ship is scheduled for disposal, and in coordination with the cognizant NAVSEA Program Office, determine if any NAVSEA COG equipment is onboard to satisfy known or expected requirements.

(3) Provide PMS 333 with a ERDS for each equipment removal requirement.

(4) Identify equipment requiring declassification or demilitarization should be clearly identified.

(5) As required, Provide PMS 333 with advance planning data (i.e., forecast of equipment required during the Future Year Defense Plan and budget year cycles, acquisition cost of equipment, etc.) in order that equipment removal can be included in related planning.

PMS333 SERIAL NO

EQUIPMENT REMOVAL DATA SHEET

SHIP _____ PAGE NO. _____

1. Provide this data for each item:

a. Nomenclature _____

b. Part Number _____

c. NSN _____

d. APL _____

e. Location _____
Compartment Name & Number (Example: 01-112-3), Other Identification

f. Item Serial Number(s) _____

g. Tech Manual _____

h. Drawing _____

i. Document _____

j. Quantity to be Removed ____ Cost to replace w/New Unit $_____ Each (must be provided)

k. Shipping Address _____
_____
_____
Attn_____
Code/Phone_____

2. Equipment Removal Information:

a. Will equipment be removed during inactivation period prior to decommissioning? Yes _____ No ____

b. Who will remove this equipment? NISMF _____ OTHER (Please Specify) _____

3. Embedded Computer Resources:

a. The Equipment is an embedded component of another system. Yes _____ No ____

b. If yes, what system? _____

4. Disclosure of Intended Use (must be completed):

New Ship Installation (N) ___ Repair Cannibalization (C) ___ Reinstallation (R) ___ Testing/Training (T) ___ Battle Spares (B) ___

Part will be installed on: HULL _____ DATE _____

5. Provide this data one time:

a. Point of contact _____ Activity/Code _____

b. Phone DSN _____ Commercial _____ FAX _____ Email Address _____

c. Transportation Accounting Code: _____

6. Claimant Classification (Check one):

_____ Inventory Manager _____ CINCLANTFLT _____ CINCPACFLT _____ C.O. INACTSHIPFLT
_____ ISEA _____ Local Naval Base _____ Naval Reserve _____ Local Tenant Activity of Shipyard
_____ U.S. Coast Guard _____ FMS _____ Local Naval District _____ Other _____

7. NAVSEA Point of Contact is PMS 333L, DSN 332-5670X246 or commercial 703-602-5670. Fax number is 703-602-1961.

Figure 33

7.3 **CONTRACTOR EXCESS AND SURPLUS PROPERTY**

NAVSEA material may also be identified via review of excess property lists generated by both commercial and DoD activities. Such lists are received by SEA 04L4 from the Defense Contracting Management Region, General Services Administration, Defense Industrial Plant Equipment Center, Defense Reutilization and Marketing Office (DRMO), Naval Plant Representative, and Air Force Plant Representative. Other surplus lists and disposition requests from activities, such as Supervisors of Shipbuilding, will also be reviewed. In conjunction with these reviews, SEA 04L4 will identify any items that may be required for system stock and the activities holding them. Correspondence requesting disposition instructions will then be forwarded to the IM/proper technical code so that action can be initiated to obtain the applicable excess items.

7.4 **DISPOSAL**

Disposal actions may be initiated for NRFI items that are beyond economical repair (condition code "H") or for selected RFI material with no anticipated future demands (see DoD 4160.21-M [Defense Materiel Disposition Manual]). Potential excess material may be identified and validated via Stratification and Supply Demand Review calculations as discussed in Chapter 3 or through informal communication with stocking activities or program offices. IMs must consider, when identified, the need to maintain a specified quantity for economic or contingency retention in support of unforeseen future requirements. On the other hand, IMs must balance the benefit expected from this action against the costs of repairing (if applicable) and maintaining the material (i.e., real estate and facility maintenance, personnel salaries, and other implicit overhead changes). These factors must be carefully considered when reviewing disposal options. Once IMs authorize disposal action, a series of Military Standard Requisition and Issue Procedures (MILSTRIP) Disposal Release Order (DRO) directives and follow-ups can be employed.

a. A DRO with Document Identifier (DI) A5J, directs stock points to turn material over to the appropriate DRMO. Thereafter, disposal processing at the DRMO includes reutilization, donation, and surplus sale. Under some circumstances, property may also be disposed of by abandonment or destruction; the emphasis, however, is on finding other valid uses for government owned material.

b. DRO Follow-up (DI AFJ) documents may be used by IMs to follow up with stock points for unconfirmed DROs 30 days after the effective transfer date entered in data column (dc) 62-64 of the original A5J DRO. AFJ documents are prepared in the format of the DRO.

c. Disposal Release Cancellations (DI ACJ) may be prepared by the IM who initiated the DROs. They are sent to stock points when it is determined that disposal actions should be discontinued. These cancellation requests are to be submitted only in those instances when DROs are unconfirmed. ACJ documents should also be prepared in the same format as the original DRO.

d. A Disposal Release Cancellation Follow-up document (DI AKJ) may be submitted by the IM to obtain latest status of a Disposal Release Cancellation. The AKJ should be in the same format as the original Disposal Release Cancellation.

e. For those assets already being reported on an Excess Report (DI FTE) the IM should use a Reply to Excess Report (DI FTR) to direct retention or disposal.

f. Disposal directives for any classified material should be separated from all others for special handling and mailing. Technical data should be attached to each prescribing the required method and degree of demilitarization to preclude the compromising of security requirements and to prevent delays and inefficiencies in demilitarization/declassification processing and costs.

The standard DRO format is provided below, along with a list of the unique coding elements required for such directives.

7.4.1 **Disposal Release Order, Follow-up or Cancellation Document**

a. General: This format is used to direct disposal by stock points of system reported stocks using DI Code A5J. It can also be used to follow-up those DROs, to cancel DROs or to follow-up on cancelled DROs.

Columns	Field Legend	Explanation and Instructions
1-3	Document Identifier	Enter DI A5J for DRO, AFJ for ICP follow-up on a DRO, ACJ for ICP cancellation of a DRO, or AKJ for ICP follow-up on DRO cancellation.
4-6	Routing Identifier	Enter appropriate routing identifier applicable to the facility to which the DRO is directed.
7	Media and Status Code	Leave blank.
8-22	Stock or Part Number	Enter NSN/part no. of item ordered for disposal. Enter SMIC in dc 21-22.
23-24	Unit of Issue	Enter unit of issue applicable to the stock or part number.
25-29	Quantity	Enter quantity to be transferred, based on the inventory control record balance. Quantity actually transferred will be dependent on the entry in dc 55-61, if applicable.

Columns	Field Legend	Explanation and Instructions
30-43	Document Number	Enter document number as assigned by the preparing IM.
44	Suffix Code	Leave blank.
45-50	Supplementary Address	Leave blank in DRO. The DoD Activity Address Code (DODAAC) of the predesignated DRMO to be entered by the shipping activity.
51	Signal Code	Leave blank.
52-53	Fund Code	Leave blank.
54	Distribution Code	Enter 9.
55-61	Retention Quantity	Enter quantity to be retained in stock by activity in dc 4-6. If the quantity to be retained exceeds the retention quantity field, the transaction will be processed off-line.
62	Precious Metals Indicator Code	Enter applicable code Indicator (See 7.4.2 below).
63	ADPE Identification Code	Enter applicable code (See 7.4.2 below).
64	Disposal Authority Code	Enter appropriate code (See 7.4.2 below).
65	Demilitarization Code	Enter code assigned by the ICP/IM as required by DoD 4160.21-M-1, Defense Demilitarization Manual (See 7.4.2 below).
66	Reclamation Code	Enter Code Y if reclamation is required prior to release to DRMO. Enter Code N if reclamation is not required.
67-69	Routing Identifier	Enter routing identifier of ICP/IM originating the DRO.

Columns	Field Legend	Explanation and Instructions
70	Ownership/ Purpose Code	Enter purpose code; otherwise leave blank.
71	Supply Condition Code	Enter condition code of material to be transferred.
72	Management Code	Enter applicable management code; otherwise leave blank.
73	Screening Code	Leave blank.
74-80	Unit Price	Enter unit price for NSN/part number shown in dc 8-22. If field exceeded, process off-line.

7.4.2 **Unique Code Inputs**

a. Column 62: Precious Metals Indicator Code. See Appendix E.

b. Column 63: Automated Data Processing Equipment (ADPE) Identification Code. Indicates if the item being turned in is ADPE or contains ADPE regardless of the Commercial and Government Entity (CAGE) code assigned. NOTE: Codes 1 through 6 are used only when the item is ADPE in its entirety and is limited to the type meeting only one of the definitions for codes 1 through 6. (See Code 9.)

CODE	EQUIPMENT
O	This code represents items with no ADP components.
1	Analog Central Processing Units (CPUs) for Computers: This code represents only CPUs that accept, as input, the electrical equivalent of physical conditions such as flow, temperature, pressure, angular position or voltage and perform computations by manipulating these electrical equivalents to produce results for further use. NOTE: An analog is a representation of one form of a physical condition existing in another form (i.e., the level of mercury in a tube represents temperature in a thermometer; the angular position of a needle represents speed on a speedometer). This code excludes CPUs that have both analog and digital capability. (See Code 3.)

CODE	EQUIPMENT
2	Digital CPUs for Computers: This code represents only CPUs that accept information represented by digital impulses. Specifically, a device capable of performing sequences of arithmetic and logic operations (a program) not only on data but also on the program which is contained in its internal memory (storage) without intervention of an operator. NOTE: Digital refers to the representation of discrete numbers, symbols and alphabetic characters by a predetermined, coded combination of electrical impulses. This code excludes CPUs that have both analog and digital capability. (See Code 3.)
3	Hybrid CPUs for Computers: This code represents only CPUs that have a combination of analog and digital capability as defined in Codes 1 and 2 respectively and which have conversion capability required for intercommunication.
4	ADP Input/Output and Storage Devices Used to Control and Transfer Information to and from a CPU: The input device is used for transferring data and instructions into a CPU. The output device is used to transfer processing results by the CPU onto printed and or/magnetic media. Input/Output devices combine the above functions in the same device. This class also includes data transmission terminals, batch terminals and display terminals specifically designed or modified to be used in conjunction with digital, analog or hybrid CPUs. It includes modems when they are integral to the terminal. It also includes storage devices in which data can be inserted, retained and retrieved for later use.
5	ADP Accessorial Equipment: This code represents a component, device or unit related directly to and essential for ADPE operation. Included are units and components of related general purpose accessorial equipment useful as part of a weapons, control, missile, communication or navigational system. It also encompasses various devices and associated control units that are used in combination or conjunction with the ADPE configuration but are not part of the configuration itself.

CODE	EQUIPMENT
6	Punched Card Equipment: This code represents collating machines, key punch machines, tabulating machines, verifier, reproducer, summary punch, sorter, and interpreter. NOTE: Card actuated machines, when cable connected to a CPU, are excluded.
7	ADP Supplies and Support Equipment: This code represents consumable supplies such as paper (tabulating machine, continuous flat fold); paper, (tabulating machine, sheet); seal bands (tape, ADP); empty reels and hubs(tape, ADP); canisters (tape, ADP); and carrying cases (tape, ADP). Also included are support equipments such as magnetic tape testing, certifying and cleaning equipment; disk pack testing, certifying and cleaning equipment; tape equipment, winders, splicers, and card reconditioners.
8	ADP Components: This code represents ADP component assemblies that are part of analog, digital or hybrid data processing devices.
9	This code is to be assigned to an item containing embedded ADPE that meets one or more of the definitions for codes 1 through 6.

c. Column 64: Disposal Authority Code. One of the codes below must be entered on the documentation transferring material to a DRMO to reflect that such a transfer was authorized by the IM or other property authority.

CODE	EQUIPMENT
M	Items on this transaction are IM stocks and are being transferred to disposal by authority of the responsible IM.
N	Items on this transaction are not reportable by virtue of an exclusion to the Material Returns Program (MRP) or other specific criteria such as extended dollar value or condition limitations on excess reporting and are duly authorized to be transferred to disposal.

CODE	EQUIPMENT
R	Items on this transaction have been reported to the IM/ICP in accordance with MILSTRIP MRP procedures and have been directed to disposal by the IM. Excess transaction status code SF, SL, SN, TC, TD, or TK was provided by the IM on DI code FTR.

d. Column 65: Demilitarization Code. See Appendix E.